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Report Highlights:

Total turnover in the German fish industry increased by 10.4 percent to Euro 2.029 billion (US$ 1.972 billion) in CY 2001. Triggered by the BSE scandal per capita consumption of fishery products rose from 13.3 kg in 2000 to 14 kg in 2001. The United States supplied about Euro 84.7 million (US$ 82.3 million) worth of fish and fish products in CY 2001. This amounts to 3.3 percent of the German import market. The U.S. was able to considerably increase exports of frozen Alaska pollack to Germany, and is now the third-largest supplier. This is due to stronger efforts by processing companies in Germany to import from sustainable sources.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Total turnover in the German fish industry increased by 10.4 percent to Euro 2.029 billion (US$ 1.972 billion) in CY 2001 (this includes sales by the fish processing industry, wholesale fish and deep sea fishing vessels). The fish industry produced a total of 423,833 MT of fish and fish products in 2001, up 7.9 percent from the previous year, with a product value at factory level of Euro 1.58 billion (US$ 1.536 billion). Per capita consumption of fish rose to 14 kg in CY 2001 up from 13.7 kg in 2000. Much of that rise was triggered by the BSE scare of November 2000. With the gradual resumption of beef consumption, per capita fish consumption in Germany is expected to remain stable in 2002. Further increases are possible but would require much marketing efforts.

Germany sources approximately 21 percent of its fish consumption domestically. Thus, imports of fish and fish products (either raw or in the form of fish products) account for over three quarters of total consumption. Total value of imports in CY 2001 amounted to Euro 2.53 billion (US$ 2.50 billion), of which Euro 1.02 billion (US$ 0.99 billion) came from imports from EU member countries and Euro 1.5 billion (US$ 1.47 billion) from imports from third countries.

The United States supplied about Euro 84.7 million (US$ 82.3 million) worth of fish and fish products in CY 2001, mainly frozen Alaska pollack, frozen Pacific salmon, live lobsters, caviar substitutes and frozen fillet. This amounts to 3.3 percent of the German import market. Compared to 2000, the imports from the United States more than doubled in value (an increase of 127 percent), and tripled by volume (increase of 342 percent) The different development of volume and value is due to changes in import patterns, with less imports of high priced products (e.g. lobster and prepared salmon), and more imports of lower priced products (Alaska pollack).

Generic fish market promotion is carried out by the Fish Information Center in Hamburg. The center focuses on public relations campaigns and on initiatives to create a positive image for fish and fish products. It does not take part or fund sales promotion events. Direct sales promotions are left to the individual companies.

In CY 2001, federal funds to support the German fishing fleet went down to Euro 9.28 million from Euro 10.84 million in CY 2000 and Euro 11.76 million in CY 1999. In CY 2001 Euro 5.37 million was allocated for capacity adjustment aid, Euro 1.53 million for structural aid, 2.56 million for cutter boat loans and Euro 0.36 million for reduced interest rates for investments.

Note 1: In this report trade data for groundfish fillets includes:

HS Codes		**English Name**	**Scientific name**
fresh or chilled fillets			
0304	1031	Cod	Gadus ssp. + Boreogadus siada
0304	1033	Coalfish	Pollachius virens
0304	1035	Redfish	Sebastes ssp.
0304	1038	Other	
frozen fillets			
0304	2021-2029	Cod	Gadus ssp.
0304	2031	Coalfish	Pollachius virens
0304	2033	Haddock	Melanogrammus aeglefinus
0304	2035-2037	Redfish	Sebastes ssp.
0304	2041	Whiting	Merlangius merlangus
0304	2055-2059	Hake	Merluccius ssp.
0304	2085	Alaska pollack	Theragra chalcogramma
0304	2091	Blue grenadier	Macrutonus novazealandiae
0304	2095	other	

Note 2: In recent years the U.S. dollar/German mark exchange rate has been as follows:

1991: US$1 = DM 1.66;	1996: US$1 = DM 1.50;	2001: US$1 = DM 2.18
1992: US$1 = DM 1.52;	1997: US$1 = DM 1.70;	
1993: US$1 = DM 1.65;	1998: US$1 = DM 1.76,	
1994: US$1 = DM 1.61;	1999: US$1 = DM 1.66,	
1995: US$1 = DM 1.43;	2000: US$1 = DM 2.12.	

Further exchange rates are for: Euro i /German mark: Euro 1 = DM 1.95583,
U.S. dollar/ i US$1 = Euro 1.03
i /U.S. dollar i 1 = U.S. dollar 0.972
U.S. $/ DM: US$1 = DM 2.14 (as of September 18,2002, Handelsblatt)

Production

On January 1, 2001 the German ocean fishing fleet consisted of 2,315 ships: 13 deep sea fishing vessels plus 2,302 cutter and coastal fisheries vessels. Total tonnage amounted to 71,499 gross register tons, engine power totaled 167,739 kW. In CY 2001 a total of 11,053 workers were employed by 101 fishing and fish processing companies, 423 workers more than in CY 2000. (Note: Only companies with more than ten employees were counted) .

Total catch of the German fishing fleet (landings in domestic and foreign ports) amounted to 239,000 MT (catch weight) in CY 2001, a reduction of 20,000 MT or 8 percent compared to CY 2000.

The major fishing regions are the North Sea (about 37 percent), followed by the Northeast Atlantic (34 percent) and the Baltic Sea (15 Percent).

Total sales of German fish products were worth Euro 2.029 billion in CY 2001, 10.4 percent more than in CY 2000. Most of this increase was achieved in domestic sales, which were 11.8 percent higher than in CY 2000, while export sales only increased by 2.5 percent.

Total production volume of fish and fishery products in CY 2001 was increased by 7.9 percent to 423,833 MT (product weight), and off-factory sales increased from Euro 1.539 billion to Euro 1.580 billion.

The major fish products sold in Germany are frozen products (fillet, fish sticks), herring, smoked fish and fish preparations, the market share of fresh fish only amounted to 14 percent in CY 2001.

Note: Almost the entire German catch of groundfish goes straight into the fresh market. Most groundfish fillets produced in Germany are manufactured from imported fillets and further processed into smaller pieces or convenience foods and repackaged. To avoid double counting, "production" in the PSD for groundfish fillets only reflects production from fresh fish.

Consumption

Total food consumption of fishery products added up to 1.150 million MT in CY 2001, up 1.8 percent compared to the previous year (1.129 million MT). Calculated per capita consumption rose to 14 kg in CY 2001, versus 13.3 kilograms in CY 2000. Fish consumption benefitted from the German BSE crisis of November 2000, which resulted in consumers switching from beef to alternative protein sources. Fish was an excellent substitution. In 1999 the world average per capita consumption was 16 kg.

Consumer panels show that the number of households, which bought fish at least once per year increased from 84.5 percent in the July 2000 to June 2001 period to 86.1 percent in the same period the following year. However, in the same period, the frequency of purchase dropped from 18.5 in 2000/2001 to 16 in 2001/2002, also the amount purchased per household declined from 10.1 kg in 2000/2001to 8.8 kg in 2001/2002. This indicates that new consumers were won but they did not purchase as much as the traditional fish consumers.

In CY 2002 fish consumption is expected to decline, as consumption of beef resumes, when compared to CY 2001. However, fish consumption is still expected to be higher than in CY 2000, as some of the "new" consumers continue to eat fish.

German consumers' favorite fishes are Alaska pollack, herring and tuna followed by Atlantic and Pacific salmon (see table 1). As in other parts of the food sector, convenience products also play an important role in the fish industry. In CY 2001, the market share of frozen fish products (28 percent) was for the first time higher than that for canned fish preparations (27 percent). Fresh fish remained stable at 14 percent. Crayfish and mollusk account for 13 percent, smoked fish for 7 percent, and fish salads for 4 percent (see table 2).

Table 1: Favorite Fish Varieties in Germany, as a Percentage

	1998	**1999**	**2000**	**2001**
Total Seafood Use	100	100	100	100
Thereof Sea Fish (incl Herring)	76.0	69.3	78.5	76.4
Sweet Water F.	14.8	17.2	11.2	13.3
Crayfish, Mollusks	9.2	13.5	10.3	10.3
Type of Fish				
Alaska/Pacific Pollack	27.5	19.8	27.2	35.3
Herring	18.2	22.6	20.1	19.0
Tuna	8.0	13.2	12.6	10.8
Salmon	8.5	10.4	6.6	8.4
Hake	3.7	5.4	4.3	4.9
Redfish/Perch	4.4	6.0	5.0	4.4
Coalfish	6.1	4.6	4.3	4.0
Cod	8.8	7.0	3.3	3.7
Trout	4.1	5.1	2.6	3.0
Plaice	1.0	1.6	1.3	1.5
Mackerel	1.7	2.0	2.2	1.0
Halibut	2.7	0.8	0.5	0.7
Other	5.3	1.5	10.0	3.3

Source: Fish Information Center: Daten und Fakten 2002, p. 8

Table 2: Fish Consumption by Product Group, in Percent

	1997	1998	1999	2000	2001
Frozen Fish	21	26	25	25	28
Preservations + Marinades	31	29	29	30	27
- Herring	21	18	17	16	16
- Tuna	7	8	10	11	9
- Sardines	2	2	1	2	1
- Mackerels	1	1	1	1	1
Fresh Fish	14	13	14	14	14
Crayfish + Mollusks	14	14	15	13	13
Smoked Fish	5	3	5	7	7
Fish Salads	4	5	4	4	4
Other Fish Products	11	10	8	7	7

Source: Fish Information Center: Daten und Fakten 2002, p. 8

Trade

Total imports of fish and fishery products into Germany in CY 2001 amounted to 808,227 MT (product weight) at a value of Euro 2.53 billion. Out of this, roughly forty percent (306,567 MT at Euro 1.022 billion) originated from other EU countries, whereas imports from third countries accounted for about sixty percent (501,660 MT at Euro 1.509 billion). In terms of value, Denmark was the most important EU supplier of fishery products at Euro 465 million, Norway was Germany's biggest non-EU supplier at Euro 304 million, followed by Russia at Euro 164 million, and China at Euro 157 million. In terms of quantity, imports from Denmark and Norway were the most significant in CY 2001, followed by those of Russia, China and the Netherlands (by product weight).

The United States supplied about Euro 84.7 million (US$ 82.3 million) worth of fish and fish products in CY 2001, mainly frozen Alaska-pollack fillets, frozen Pacific salmon, live lobsters, and caviar substitutes. This amounts to 3.3 percent of the German import market. Compared to 2000, imports from the United States more than doubled in value to Euro 845,706 (an increase of 127 percent), and tripled by volume to 32,153 MT (an increase of 342 percent). The different movement in volume and value is mainly due to changes in import patterns. The U.S. exported less high-priced products (e.g. lobster and prepared salmon), and exported more lower priced products (Alaska pollack).

Traditionally, Norway is by far the main supplier of salmon to the German market. The market shares based on live weight for whole or eviscerated salmon in CY 2001 were as follows: Norway 61 percent, Denmark 17 percent, Great Britain 7 percent and the United States 6 percent. Imports from the United States amounted to 4,054 MT valued at Euro 9.482 million.

Germany's purchase of groundfish filets predominantly originate from China and Russia. On a live weight basis, these two countries together made up 55 percent of the market in CY 2001. However, imports from the United States soared from 4,360 MT in 2000 to 95,745 MT in 2001. Consequently, the market share increased from 0.6 percent in 2000 to 11 percent in 2001, making the U.S. the third-largest supplier of groundfish fillets in Germany.

The increase is attributed to the decision by a big German fish processor to use only Alaska pollack that has been deep frozen on the trawler directly after the catch.The company mainly imports from the U.S., as it values a stable supply and sustainable sources. In 2001, the U.S. exported 25,943 MT of Alaska pollack to Germany versus only 1,108 MT in 2001.

German exports of fish and fish products in CY 2001 increased in volume (up 9 percent) and decreased in value (down 4 percent) compared to the previous year. Export reached 358,239 MT, valued at Euro 960 million, including Euro 846 million to other EU countries and Euro114 million to third countries. Major export destinations within the EU were France, the Netherlands, Italy, and Austria. Poland, Switzerland, and Lithuania were major non-EU destinations. Exports to the United States are marginal, at 883 MT, which was valued at Euro 3,317 in CY 2001.

Policy

Since Renate Künast was appointed the new German minister for consumer protection, food and agriculture in January 2001, consumer protection is the number one priority in all areas of agricultural policy, including the fish sector. The number two priority for the German fish industry is resource protection.

Since January 1, 2002 fish sales to the consumer (except in restaurants) in theory need to be labeled with the following information: (a) the commercial designation of the species; (b) the production method (caught at sea or in inland waters or farmed); (c) the catch area. This is to implement article 4 of the "EU common market organization of the markets in fishery and aquaculture products." The regulation is aimed to increase consumer information. However, there is some inconsistency as to which products are affected. All fresh, frozen and smoked products, have to be labeled, while high processed products, such as marinated or coated filets do not need to be labeled. Every member state had to publish a list of commercial designations, in the respective member state language. Only the names on this list may be used on the label in a given country, the additional use of the scientific name is optional. The German list was only published on August 31, 2002. These rules will also be applied to imported products and thus may result in additional labeling costs for U.S. exporters as well.

Overfishing is a serious environmental and economical problem. Therefore Germany subsidizes capacity reduction and modernization measures. In CY 2001, federal funds to support the fishing fleet went down to Euro 9.82 million from Euro 10.89 million in CY 2000 and Euro 11.76 million in CY 1999. Euro 5.37 million of the Euro 9.82 million were allocated for capacity adjustment aid, Euro 1.53 million for structural aid, Euro 2.56 million for cutter boat loans, and Euro 0.36 million for reduced interest rates for investments.

Processing companies in Germany are increasingly taking sustainability initiatives into consideration when making their purchasing decisions.

Marketing

On a volume basis, the 79 percent of fishery products are purchased at multiple retail stores, this translate into 69 percent on a value basis. Fish specialty stores account for 7 percent of the sales volume and other outlets such as farmers markets for 14 percent. When comparing 2001 with 2000, discounters gained the most from increased sales, while fish specialty shops lost sales volume. Average prices increased by 2.7 percent, which resulted in a higher sales value for all retail types.

Table 3: Distribution of Fishery Products Retail Sales

Volume in MT	2000	2001	change 01/00 as percentage
Multiple Retail chains	166,101	196,816	18
thereof: Supermarket	80,222	91,436	14
Discounter	85,879	105,380	23
Fish specialty shops	16,872	16,565	-2
other	33,288	35,711	7
Total	216,261	249,092	15
Value in Euro	2000	2001	change 01/00 as percentage
Multiple Retail chains	937	1,156	23
thereof: Supermarket	524	619	18
Discounter	413	537	30
Fish specialty shops	162	168	4
other	328	363	11
Total	1,427	1,687	18
Price in Euro/kg	2000	2001	change 01/00 as percentage
Supermarket	6.53	6.76	4
Discounter	4.81	5.09	6
Fish specialty shops	9.58	10.15	6
other	9.85	10.16	3
Average	6.60	6.77	3

Source: Federal Association of the German Fish Industry and Fish Wholesale, Annual Report 2002

Generic fish promotion is carried out by the Fish Information Center (Fisch Informations Zentrum, FIZ), Hamburg. It was founded in 1997 and is part of the Federal Association of the German Fish Industry and the Fish Wholesalers (Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.). It is open to private industry and associations and is funded through membership contributions.

The FIZ focuses on public relations campaigns and on initiatives to create a positive image for fish and fish products and German fishing practices in Germany, e.g., addressing questions like quality and health aspects, animal welfare and fish harvesting practices, resource protection, and the impact of fishing on the environment and third world countries. It does not take part or fund sales promotion events. Direct sales promotions and other marketing campaigns aimed at increasing sales are left to the individual companies.

Statistical Section

Table 4: PSD for Salmon Whole/Eviscerated (in MT)

PSD Table						
Country	Germany					
Commodity	Salmon, Whole/Eviscerated				(MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Beginning Stocks	0	0	0	0	0	0
Total Production	45	39	45	35	0	35
Intra-EC Imports	21000	19705	21000	12000	0	11000
Other Imports	53000	49664	53000	45000	0	42000
TOTAL Imports	74000	69369	74000	57000	0	53000
TOTAL SUPPLY	74045	69408	74045	57035	0	53035
Intra-EC Exports	29700	28158	29500	22000	0	20000
Other Exports	800	509	1000	280	0	280
TOTAL Exports	30500	28667	30500	22280	0	20280
Domestic Consumption	43545	40741	43545	34755	0	32755
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	43545	40741	43545	34755	0	32755
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	74045	69408	74045	57035	0	53035

Source: German Ministry of Consumer Protection, Food, and Agriculture (BMVEL), Annual Report on German Fisheries 2001; Federal Association of the German Fish Industry and Fish Wholesale, Annual Report 2002; German Federal Office of Statistics, Wiesbaden.

Table 5: Average Import Prices for Salmon Whole/Eviscerated (in US$ per MT)

Prices Table			
Country	Germany		
Commodity	Salmon, Whole/Eviscerated		
Prices in	US $	per uom	MT
Year	2000	2001	% Change
Jan	3,981	3,540	-11.08%
Feb	4,248	3,222	-24.15%
Mar	3,998	3,140	-21.46%
Apr	4,013	3,105	-22.62%
May	4,485	3,138	-30.02%
Jun	4,361	3,053	-29.99%
Jul	4,304	3,090	-28.22%
Aug	3,958	3,203	-19.07%
Sep	3,502	2,959	-15.52%
Oct	3,269	2,903	-11.20%
Nov	3,297	2,974	-9.78%
Dec	3,202	2,995	-6.49%

Source: FAS Berlin based on data from the German Federal Office of Statistics, Wiesbaden.

Table 6: German Import of Salmon Whole/Eviscerated (in MT)

Import Trade Matrix			
Country	Germany		
Commodity	Salmon, Whole/Eviscerated		
Time period	Jan/Dec	Units:	
Imports for:	2000		2001
U.S.	3,294	U.S.	4,045
Others		Others	
NORWAY	44,435	NORWAY	42,550
DENMARK	10,813	DENMARK	11,861
GREAT BRITAIN	10,818	GREAT BRITAIN	4,586
FAROE ISLANDS	1,950	IRELAND	1,762
IRELAND	1,284	FAROE ISLANDS	1,264
NETHERLANDS	903	SWEDEN	797
SWEDEN	766	CANADA	652
CANADA	625	NETHERLANDS	459
CHILE	376	CHILE	350
COLOMBIA	210	COLOMBIA	190
Total for Others	72,180		64,471
Others not Listed	746		844
Grand Total	76,220		69,360

Source: FAS Berlin based on data from the German Federal Office of Statistics, Wiesbaden.

Table 7: German Export of Salmon Whole/Eviscerated (in MT)

Export Trade Matrix			
Country	Germany		
Commodity	Salmon, Whole/Eviscerated		
Time period	Jan/Dec	Units:	MT
Exports for:	2000		2001
U.S.	4	U.S.	0
Others		Others	
FRANCE	25,774	FRANCE	15,226
NETHERLANDS	5,660	NETHERLANDS	4,562
SPAIN	4,660	SPAIN	1,948
DENMARK	4,261	DENMARK	1,764
ITALY	2,470	ITALY	1,404
BELGIUM	1,916	BELGIUM	1,205
POLAND	667	GREAT BRITAIN	717
AUSTRIA	553	PORTUGAL	681
PORTUGAL	477	AUSTRIA	562
LUXEMBURG	67	POLAND	431
Total for Others	46,505		28,500
Others not Listed	233		171
Grand Total	46,742		28,671

Source: FAS Berlin based on data from the German Federal Office of Statistics, Wiesbaden.

Table 8: PSD for Groundfish Fillets (in MT)

PSD Table						
Country	Germany					
Commodity	Groundfish, Fillets				(MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Beginning Stocks	0	0	0	0	0	0
Total Production	0	8000	0	6500	0	6000
Intra-EC Imports	70000	87166	70000	70000	0	70000
Other Imports	750000	777207	750000	770000	0	770000
TOTAL Imports	820000	864373	820000	840000	0	840000
TOTAL SUPPLY	820000	872373	820000	846500	0	846000
Intra-EC Exports	204000	178202	204000	180000	0	180000
Other Exports	4000	4883	4000	5000	0	5000
TOTAL Exports	208000	183085	208000	185000	0	185000
Domestic Consumption	612000	689288	612000	661500	0	661000
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	612000	689288	612000	661500	0	661000
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	820000	872373	820000	846500	0	846000

Source: German Ministry of Consumer Protection, Food, and Agriculture (BMVEL), Annual Report on German Fisheries 2001; Federal Association of the German Fish Industry and Fish Wholesale, Annual Report 2002; German Federal Office of Statistics, Wiesbaden.

Table 10: Average Import Prices for Groundfish Fillets (in US $ per MT)

Prices Table			
Country	Germany		
Commodity	Groundfish, Fillets		
Prices in	US $	per uom	MT
Year	2000	2001	% Change
Jan	2,488	2,236	-10.12%
Feb	2,621	2,393	-8.68%
Mar	2,400	2,440	1.67%
Apr	2,630	2,502	-4.88%
May	2,357	2,435	3.29%
Jun	2,355	2,214	-5.99%
Jul	2,448	2,539	3.72%
Aug	2,166	2,442	12.75%
Sep	2,287	2,620	14.54%
Oct	2,190	2,478	13.15%
Nov	2,122	2,462	16.01%
Dec	2,448	2,567	4.85%

Source: FAS Berlin based on data from the German Federal Office of Statistics, Wiesbaden.

Table 11: German Imports of Groundfish Fillets (in MT)

Import Trade Matrix			
Country	Germany		
Commodity	Groundfish, Fillets		
Time period	Jan/Dec	Units:	
Imports for:	2000		2001
U.S.	4,360	U.S.	95,745
Others		Others	
RUSSIA	269,378	CHINA	249,190
CHINA	168,377	RUSSIA	228,121
DENMARK	47,295	DENMARK	53,545
POLAND	46,374	ICELAND	40,878
ICELAND	41,324	POLAND	39,575
NORWAY	33,870	PERU	25,236
NETHERLANDS	19,369	NORWAY	24,088
PERU	17,414	CHILE	18,268
CHILE	17,227	NEW ZEALAND	24,079
NEW ZEALAND	17,375	NETHERLANDS	16,932
Total for Others	678,003		719,912
Others not Listed	47,048		48,800
Grand Total	729,411		864,457

Source: FAS Berlin based on data from the German Federal Office of Statistics, Wiesbaden.

Table 12: German Exports of Groundfish Fillets (in MT)

Export Trade Matrix			
Country	Germany		
Commodity	Groundfish, Fillets		
Time period	Jan/Dec	Units:	
Exports for:	2000		2001
U.S.	6	U.S.	14
Others		Others	
FRANCE	62,932	FRANCE	60,335
GREAT BRITAIN	36,203	GREAT BRITAIN	36,723
NETHERLANDS	29,368	NETHERLANDS	24,727
AUSTRIA	12,265	AUSTRIA	12,831
BELGIUM	9,164	BELGIUM	10,095
DENMARK	5,630	DENMARK	8,168
ITALY	5,152	ITALY	7,129
LUXEMBURG	4,364	LUXEMBURG	5,895
SWEDEN	2,869	SWEDEN	5,810
SPAIN	1,967	SPAIN	3,846
Total for Others	169,914		175,559
Others not Listed	6,979		7,593
Grand Total	176,899		183,166

Source: FAS Berlin based on data from the German Federal Office of Statistics, Wiesbaden.